

2020 FINANCIAL PLAN PRESENTATION



RURAL MUNICIPALITY OF GIMLI

Welcome

Welcome to the 2020 Financial Plan Hearing.

This presentation will give a general overview of the 2020 Financial Plan.

There will be an opportunity for questions following the presentation. Or if you would like you are welcome to email your questions to the Municipal Office at gimli@rmgimli.com

The Financial Plan

After a careful and extensive review Council makes the financial decisions for the Municipality. When making those decisions, their role as elected officials is to safeguard the taxpayer's money and make the best use of financial resources; while maintaining or improving service levels.

At the center of the municipal finance system is the budget. Through the budget, Council decides the municipality's priorities for the current year and the upcoming 5 years by balancing the funds for each program or service.

The budget is the single most important policy decision council makes each year. Careful budget planning and control mean better services for the residents.

The budget of a municipality reflects its policies.

The 2020 Challenges

- ▶ Despite the impacts of COVID 19 the 2020 Financial Plan will continue to reflect Council's ongoing directive to make every effort to manage existing debt servicing and minimize taxation impacts; by balancing the requirements in service delivery for our residents, visitors and businesses.
- ▶ Council continues to balance a large number of community requests for project funding in alignment with the delivery of expected and required Municipal services as well as the funding of Reserves.
- ▶ Commitment to continue to find new ways to manage the delivery of municipal and community services in the most efficient and cost effective manner.
- ▶ To minimize the use of borrowing for Capital Purchases both current and long term with grant opportunities.
- ▶ To maintain the goals of our long range debt management and the establishment of new revenue sources for the Municipality.
- ▶ To always provide a balanced approach to managing the needs of Municipality while remaining mindful of the importance of being stewards of the environment.
- ▶ To prepare for the future growth of our community.

TAXATION

Every year Council meets to set the municipal budget for the coming year. After revenues such as grants from other governments and user fees are taken into account, the balance of the budget must come from property taxes which is referred to the General Mill Rate. The formula used to calculate taxes is:

$$\text{Portioned Assessment} \times \text{Mill Rates (both municipal \& school)} \\ = \text{Property Taxes}$$

2019 to 2020 Mill Rates

Evergreen School Division's mill rate has decreased from 9.770 in 2019 to 8.828 for 2020

The Provincial Levy increased from 11.050 to 11.137 an increase of .087 of a mill

The Municipality's General Mill Rate has decreased from 13.279 to 13.216 a decrease of .063 of a mill

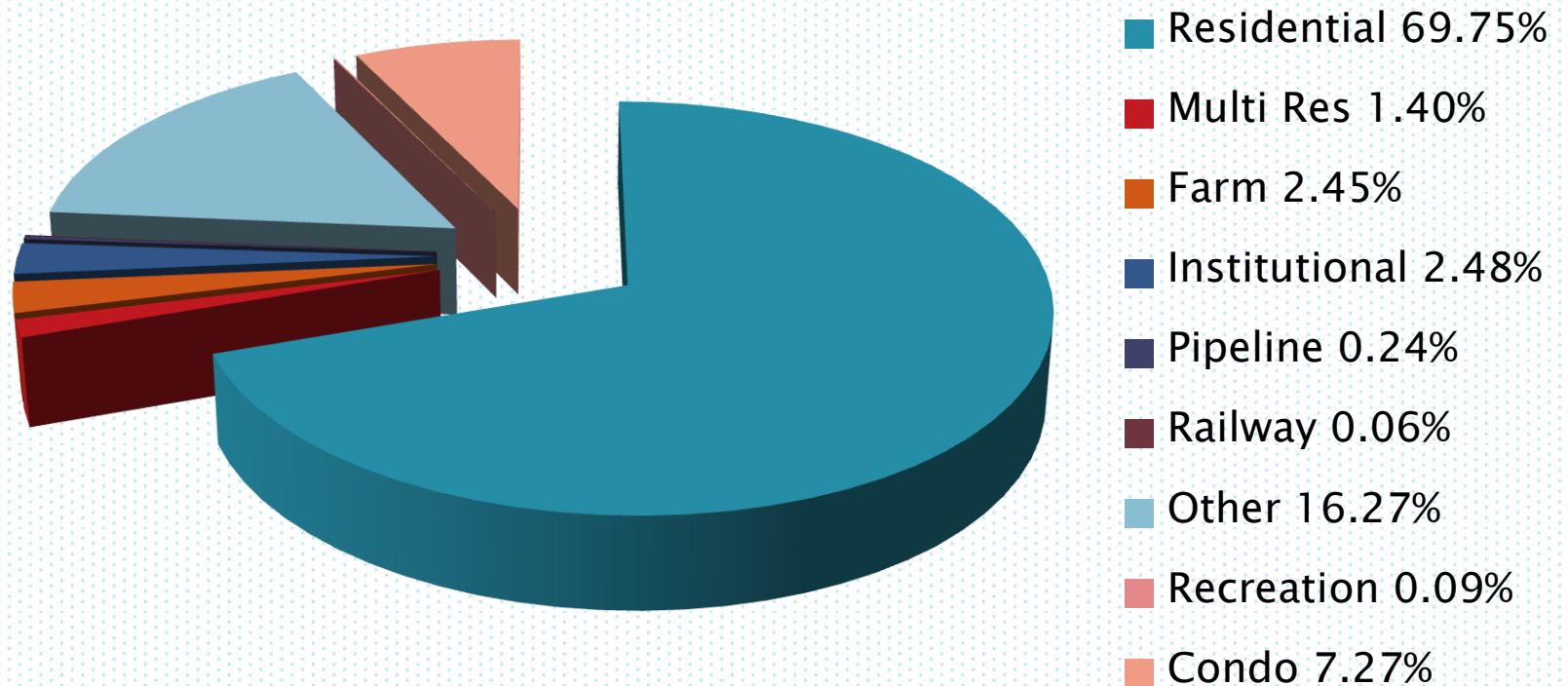
Where do Assessments Come From?

- ▶ Assessment Services is responsible for the assessment of all real and personal property in the province and outside the City of Winnipeg.
- ▶ Properties in Manitoba are assessed every two years to ensure assessment values keep pace with changing real estate market values.
- ▶ 2020 is the province wide reassessment year.
- ▶ The 2020 Assessments are based on the 2018 market values.

Assessment Changes from 2019 to 2020

	2019	2020	Increase/ Decrease
Residential	368,212,150	361,243,190	-6,968,960
Multi Res	7,394,170	7,726,830	332,660
Farm	12,939,740	16,275,310	3,335,570
Institutional	13,084,720	13,584,460	499,740
Pipeline	1,282,200	1,397,350	115,150
Railway	294,960	304,060	9,100
Commercial	85,875,570	88,264,310	2,388,740
Recreation	460,490	457,680	-2,810
Condo	38,360,730	36,745,190	-1,615,540
Totals	527,904,730	525,998,380	-1,906,350

2020 Assessment by Classification



Revenues

		2019	2019	2020
		Budget	Actual	Budget
Tax Levy – Page 8		15,147,667	15,146,195	14,876,102
Grants in Lieu of Taxes – Page 8		246,961	246,961	251,476
Sub-total		15,394,628	15,393,156	15,127,579
	Requisitions (deduct) – Page 8			
		-6,593,207	-6,593,207	-6,550,737
Net Municipal Taxes and Grants in Lieu of Taxes		8,801,421	8,799,949	8,576,842
Other Revenue – Page 2		3,693,624	4,194,888	3,577,480
Transfer-Accumulated Surplus & Reserves – Page 2		2,439,412	1,094,188	3,526,985
Total Revenue		14,934,458	14,089,025	15,681,306

Expenditures

	2019	2019	2020
	Budget	Actual	Budget
General Government Services	1,848,667	1,684,140	1,924,809
Protective Services	918,110	1,015,358	935,360
Transportation Services	3,828,363	3,100,767	4,163,668
Environmental Health Services	809,876	745,432	882,021
Public Health and Welfare Services	87,773	87,173	91,673
Environmental Development Services	143,736	90,241	139,552
Economic Development Services	202,527	182,609	198,856
Recreation and Cultural Services	1,960,035	1,654,094	1,634,849
Fiscal Services	4,153,610	2,770,562	5,015,008
Transfers – Deferred Surplus – Page 9			
– Reserves – Page 5	894,035	2,393,919	577,640
Total Basic Expenditure	14,846,732	13,724,294	15,595,152
Allowance For Tax Assets – Page 8	87,726	–	86,155
Total Expenditure	14,934,458	13,724,294	15,681,306
Net Operating Surplus (Deficit)	0	364,731	0

Municipal Mill Rates

	2019	2020	Change
General	13.279	13.216	-0.063
Reserves	.294	.295	+0.001
General Debt	1.399	1.401	+0.002
Urban Debt	.980	.602	-0.378
Rural Debt	.252	.204	-0.048
Total Urban Municipal	15.952	15.514	-0.438
Total Rural Municipal	15.224	15.116	-0.108

Additional Mill Rates apply to Properties within Local Improvements are subject to Local Improvement Levies

2020 Mill Rate Impact–Rural

What is the Impact of the 2020 Budget on the **Municipal Portion** of Property Taxes excluding Local Improvement Levies?

Using a Residential Assessment of \$200,000 the 2019 Municipal Taxes in the Rural Area were \$1370.16

The 2020 Municipal Taxes will be \$1,360.44

A Decrease of \$9.72 yearly.

The decrease reflects the decrease in the General Mill Rate & the maturity of a debenture

2020 Mill Rate Impact–Urban

What is the Impact of the 2020 Budget on the **Municipal Portion** of Property Taxes excluding Local Improvement Levies?

Using a Residential Assessment of \$200,000 the 2019 Municipal Taxes in the Urban Area were \$1435.68

The 2020 Property Taxes will be \$1,396.26

An Decrease of \$39.42 yearly. The decrease reflects the decrease in the General Mill Rate & the maturity of a debenture

Where your Municipal Tax Dollars Go

The calculations below are based on \$100 of General Municipal Taxes Levied

	Dollars
General Government Services	12.37
Protective Services	6.01
Transportation Services	26.75
Environmental Health Services	5.67
Public Health and Welfare Services	0.59
Environmental Development Services	0.90
Economic Development Services	1.28
Recreation and Cultural Services	10.50
Fiscal Services	32.22
Reserves	3.71
TOTAL	\$100.00

Setting Funds Aside for Future Use

Transfers to Reserves

\$577,640

This years budget continues to fund reserves to enable the effective management of capital expenditures

General Reserve	\$ 90,000
Road Maintenance Reserve	\$ 50,000
Equipment Replacement Reserve	\$105,000
Federal Gas Tax	\$332,640

2019 Successes

New Horizons Entrance and Ramp	\$27,379.00
Road Bases Mercury & Aurora Way	\$769,492.00
Relocation of Lawn Bowling and Sewer Hookup	\$8,400.00
Landfill Cell	\$188,455.00
Purchase of a Half Ton & Service truck	\$20,617.00
Landfill Washroom	\$5,225.00
Water Meter Installs	\$165,165.00
Engineer & Design Sidewalks Solvin Rd & Autumnwood Drive	\$10,000.00
Airport Weather Station	\$50,127.00
Rec Centre Bleachers	\$11,086.00
Frost Ripper	\$5,986.00
Pallet Fork	\$4,280.00
Graptor Bucket	\$28,885.00
2006 Frieght Liner	\$32,500.00
1st Installment t – Viking Park Phase2	\$150,000.00

Planned Development & Purchase Priorities 2020

	Estimated Total Cost	Borne by General Fund	Borne by Reserves
Fire Department Radios	15,300	15,300	
Pandemic Response	25,000	25,000	
Airport Security Fencing	50,000		50,000
Airport Main Ramp & Parking	60,000		60,000
Security Camera Upgrade	18,200		18,200
Washroom fixtures	10,000		10,000
Exterior Rec Centre	20,000		20,000
Municipal Building Windows	20,000		20,000
Municipal Office Building Retrofits	200,000		200,000
Dnister Road	15,000		15,000
Goldfield Drainage	500,000		500,000
Utility Freezing Unit	6,500		6,500
Service Truck	30,000		30,000

Planned Development & Purchase Priorities 2020 Continued

	Estimated Total Cost	Borne by General Fund	Borne by Reserves
Snow Bucket	20,000		20,000
Grader	440,000		440,000
Sterling & Trailer	59,275		59,275
Flat Deck	10,000		10,000
Hotsey	10,000		10,000
Trench Box	15,000		15,000
Dog Park	10,000		10,000
Pavilion Table replacement	10,000		10,000
Ballfield Resurface/Infield Mix	12,000		12,000
Sandy Hook Park Playground Equipment	15,000		15,000
Sidewalks	300,000		300,000
Electric Car Charging Station	40,000		40,000
Mb Housing Sewer Hookup	45,000		45,000
Speed Counter	7,500		7,500
2nd Avenue Parking Lot	20,000		20,000
Security Cameras	12,000		12,000

Planned Development & Purchase Priorities 2020 Continued

	Estimated Total Cost	Borne by General Fund	Borne by Reserves
New Horizon Water Hookup	15,000		15,000
Emergency Power Standby Generator	79,000	66,960	12,050
Water Meter Installation	150,000	150,000	
Water Lines Replacements	500,000	500,000	
Doctor Incentives	37,000	37,000	
Viking Park Phase 2	150,000	150,000	
Property Acquisition	430,000	300,000	130,000
Gimli Recreation Centre Expansion	50,000		50,000

- ▶ If projects are not completed the funds will not be taken from the Reserves.

MEETING THE 2020 CHALLENGE

- ▶ The 2020 Balanced Budget has attempted to manage taxation increases by effectively redistributing past budget allocations and providing more efficient use of operational funding, while funding reserves and managing our debt servicing requirements.
- ▶ The commitment of Council remains in place to increase reserves and reduce the current dependency on debt to finance capital projects and purchases in the Municipality.
- ▶ The Long Range Debt Management Program will be reflective of the need to utilize growth to recover a portion of the debt financing through Utility Rates, Capital Development Levies, Added Taxes, User Fees and a “Developer Pay” strategy.
- ▶ The Goal is to Limit Borrowing for Infrastructure such as sewer, water and new roads.

This concludes the 2020 Financial Plan presentation.

Thank you

We welcome your questions and comments